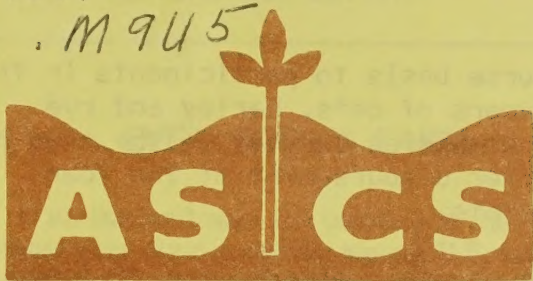


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MONTANA

CATALOGING - PREP.

LETTER

August 12, 1971

MONTANA GROWERS MAY TAKE EMERGENCY GRAIN LOANS

Loans on grain piled on the ground or stored in temporary facilities will be available to Montana grain growers under terms of actions announced last week by Secretary of Agriculture Clifford M. Hardin and the State committee. This distress loan program is designed to alleviate some of the problems faced by grain growers due to disruption of normal transportation facilities.



Our six district directors, in Great Falls recently for a defense meeting, took time to appear on the ASC Hi-Lites program televised by KRTV. They discussed the agricultural situation throughout the State. District directors are (l to r) Max Maberry, Oliver Lien, Lyall Schaefer, Everett Woodgerd, Carl Wohlgenant, and Fred Allen. For the past four years ASC Hi-Lites has been a regular feature of KRTV and is now televised each Wednesday and Thursday morning at 6:45 a.m. District director Schaefer coordinates the show and appears on most programs.

A number of circumstances combined to cause the present critical situation. For one thing, there was a freight rate decrease scheduled for July 1 and many producers and warehousemen held off normal shipments hoping to gain a few more cents per bushel on the basis of reduced shipping costs. But when the reductions became effective, the West Coast dock workers went on strike and terminals began to fill up. This soon resulted in an embargo on shipments to the West Coast and the inland terminals began to fill. Country houses -- no longer able to ship out grain they had in store and in many cases not even able to accept cash grain they had under contract -- could not accept farm deliveries nor give promise of meeting 1971-crop storage needs.

The problem is not unique to Montana. Recognizing the seriousness of the situation, Secretary Hardin offered the distress loan program for use in States where there is a shortage of storage due to rail and ocean freight delays. This will allow farmers, who cannot get their grain into warehouses or farm storage which would normally be accepted for price support loan, to borrow against their grain on an emergency basis. Thus, a shortage of storage space and a dull cash grain market won't force growers into sales to raise money to meet immediate needs.

The distress loans will be available on a recourse basis to participants in the 1971 wheat certificate program and to all producers of oats, barley and rye. They will be offered until 30 days after a producer completes harvest of the crop he is offering the loan and will mature 90 days after disbursement of the loan. The loan rate will be 80 percent of the basic loan rate.

Farmers will not be required to carry insurance on grain offered for distress loans but CCC will not assume losses in quantity or quality that may occur while the grain is under loan.

When grain is piled on the ground, it must be protected from animals and so located that water drainage will not seriously affect it.

If a farmer obtains a distress loan, maintains the quality and later is able to place the commodity in eligible storage -- either on his farm or in a warehouse -- he may obtain a regular loan. If he does not obtain a regular loan, the amount of the distress loan plus interest must be repaid or he must deliver to Commodity Credit Corporation at loan maturity enough grain to satisfy the loan. The value of the delivered grain will be based on the market price as determined by CCC.

The distress loan provisions are not applicable to grain accepted for storage by a licensed warehouseman, regardless of whether it is stored in the elevator or in a pile. Since a warehouse ticket is issued evidencing receipt of the grain, a warehouse loan can be obtained under the usual procedure.

SET-ASIDE REQUIREMENTS FOR 1972 ANNOUNCED

Farmers need plenty of time to plan their operations so this week the requirements for 1972 set-aside acreage have been announced. In general, they are the same as this year's and aimed at insuring that producers who participate in next year's programs make their proportionate contribution to reducing overall agricultural production.



ANNOUNCING

The rules for next year include the requirement that designated acreage must be at least equal in productivity to the average of other cropland on the farm normally used for crops. In making this determination, the comparison shall be between the set-aside and land on which program crops normally are produced.

On farms where yields reflect production on irrigated and drylands, designated acreage must reflect the proper proportion of each. Set-aside acreage must also be cropland which under normal conditions could have been planted to crop for harvest in 1972.

Program participants will be asked to designate set-aside acreage at the time they certify to compliance. The acreage should be in one field where possible. Parts of fields of reasonable size and shapes may be designated to complete the set-aside requirements, if needed.

The one change in set-aside requirements for 1972, as compared to this year, is that acreage used as set-aside next year will not be eligible for prevented or failed planting credit.

EVERYBODY'S FARM

If all the land used for farming in the United States were divided equally among U.S. families, what would be your family's share?

The answer is slightly more than 27½ acres. To the city dweller or suburbanite this would seem like room to roam. But the average farmer, accustomed to more than 385 acres, might feel a bit cramped.

About 22 of your 27½ acres would be actually in your farm. A little less than 9 acres of your farm would be cropland; nearly 10 would be pasture, grassland, or range. You also would have about 1½ acres of woodland which you use for grazing, and 1½ acres in farmstead, roads, and nonfarm uses.

In addition to land in your own farm, you would run livestock on about 5½ acres of land rented or leased from the government. About half would be grassland, pasture and range, and the rest would be woodlands—mostly lands administered by the Forest Service.

Although your farm contains nearly 9 acres of cropland, you planted less than 6 acres to crops in 1970. The rest of it was in fallow, held out of production under government programs,

or idle for one reason or another. You had nearly 3½ acres in grains, over half of which were corn and wheat. You had over an acre in hay, and a soybean field of eight-tenths of an acre. Most other crops were on garden-sized plots.

Your herds and flocks present some puzzling biological problems. You had only one-fourth of a dairy cow but she managed to produce 2,287 pounds of milk in the year. The beef cattle herd of 1.8 head dropped three-fourths of a calf, while your lone hog had a litter of 2 pigs. Only four-tenths of a sheep roamed your pasture.

You had 6.4 hens during 1970. They laid 113 dozen eggs. You also produced 58 broilers, but only 2¼ turkeys.

Your family farm was valued at \$4,086 on the 1970 real estate market. As the year began, you had \$460 worth of livestock and poultry on hand and \$211 worth of crops. Investment in machinery and motor vehicles amounted to \$671.

If you are a city man, this farm may give you more elbow room than you are accustomed to, and perhaps something of the spirit of agrarian living. But, as every farmer knows, it won't make you rich.

Your 27½ acres grossed \$1,068 in 1969. Production expenses took \$752 of that, leaving you a net income of only \$316. (4)

NATIONAL WHEAT RESEARCH, PROMOTION PROJECTS CONSIDERED

USDA and the National Wheat Institute have entered into an agreement for the Institute to carry out a \$2 million research promotion program to develop new markets and uses for wheat.

The program is authorized by the Wheat Research and Promotion Act, enacted into law last fall. Financing of the research and promotional projects will come from proceeds of the 1968 wheat export certificate pool not claimed by farmers. More than 100 proposals costing about \$12 million have been suggested.

The Institute has representatives from the National Grange, National Farmers Union, National Farmers Organization, Mid-Continent Farmers Association, National Association of Wheat Growers, National Federation of Grain Cooperatives, and Durum Wheat Growers of America. Federal responsibility for the agreement will be carried out by the Grain Division of USDA's Consumer and Marketing Service.

WHEAT PARITY INCREASES 11 CENTS DURING MARKETING YEAR

The official July 1, 1971, wheat parity price, which will be used in determining the full value of wheat certificates, is \$2.93 per bushel. That's an increase of 11 cents over last year.

The other figure used in certificate value computation -- average price received by farmers during July through November -- won't be known until December. This official price will be determined by USDA's Statistical Reporting Service.

Each month the average price received by farmers at mid-month (13th to 17th) for all wheat is obtained by mail survey from a sample of buyers who purchase wheat from farmers. The average prices for individual States are weighted by estimated sales to arrive at a weighted U.S. average monthly price. When this average U.S. price is available for the months July through November, they will be added together and divided by five to determine the five-month average.

The amount by which parity exceeds the average price will be the certificate value. Since growers have already received a \$1.20 per bushel advance, the December payment per bushel will be the amount by which the full certificate value exceeds \$1.20.

DONATIONS OF FOOD FOR NEEDY INCREASE

Foods donated to the States by USDA to improve diets of needy families, needy persons in charitable institutions, and school children totaled nearly 1.1 billion pounds during the period July-December 1970. This is an increase of some 16.4 percent over the 945 million pounds donated during the same six months in 1969.

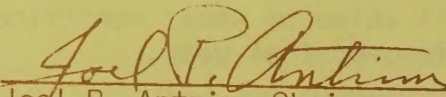


USDA food donations for needy families during July-December 1970 climbed to nearly 635 million pounds, an increase of 15.5 percent over July-December 1969. The foods donated cost \$161.8 million, nearly 26 percent more than in the same six-month period a year before. These increases are due to USDA's continued policy of making more and better food available for needy families.

Some donated food is acquired through price support programs while the balance is purchased to provide a substantial and varied diet.

SPREADING IT THIN . . . AND QUICK

ASC COMMITTEEMEN ELECTED last fall get a bonus. Their one-year terms will actually be 15 months since they took office October 1 and will serve until December 31. Elections for next year's community committeemen will be held on December 1 and they will take office January 1, 1972. . . MONTANA'S LAMB CROP CONTINUES to decline, and so does the Nation's. This year's Montana crop is estimated at 753,000 head, 2 percent below last year's 769,000, and a new record low. Nationally, the decline is 4 percent to 12,910,000 head this year. . . WOOL PRODUCTION is also headed down. Montana's production is estimated at 9,357,000 pounds this year compared with 9,468,000 pounds last year. Only the weight per fleece holds up -- it's 9.7 pounds again as in 1969 and 1970. . . ROGER W. "SWEDE" JOHNSON OF WOLF POINT is a new appointee to the Montana Wheat Research and Marketing committee. Johnson, owner-operator of a 5,000 acre grain farm, is a former ASC community committeeman. . .


Joel P. Antrim, Chairman
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